
State:	District of Columbia	Filing Company:	Group Hospitalization and Medical Services, Inc.
TOI/Sub-TOI:	H10I Individual Health - Dental/H10I.000 Health Dental		
Product Name:	Filing # 2039 DC GHMSI Individual Dental - ACA Eff 201601		
Project Name/Number:	/2039		

Filing at a Glance

Company:	Group Hospitalization and Medical Services, Inc.
Product Name:	Filing # 2039 DC GHMSI Individual Dental - ACA Eff 201601
State:	District of Columbia
TOI:	H10I Individual Health - Dental
Sub-TOI:	H10I.000 Health Dental
Filing Type:	Rate
Date Submitted:	05/01/2015
SERFF Tr Num:	CFAP-130032739
SERFF Status:	Assigned
State Tr Num:	
State Status:	
Co Tr Num:	2039
Implementation	01/01/2016
Date Requested:	
Author(s):	Dwayne Lucado, Anna Guloy, Todd Switzer, Katheryn Barron, Cory Bream, Patrick Getts, Britney Tyler, Scott Cremens
Reviewer(s):	John Morgan (primary), Damon Siler
Disposition Date:	
Disposition Status:	
Implementation Date:	
State Filing Description:	

State:	District of Columbia	Filing Company:	Group Hospitalization and Medical Services, Inc.
TOI/Sub-TOI:	H10I Individual Health - Dental/H10I.000 Health Dental		
Product Name:	Filing # 2039 DC GHMSI Individual Dental - ACA Eff 201601		
Project Name/Number:	/2039		

General Information

Project Name:	Status of Filing in Domicile: Not Filed
Project Number: 2039	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments:
Explanation for Combination/Other:	Market Type: Individual
Submission Type: New Submission	Individual Market Type:
Overall Rate Impact: 24.4%	Filing Status Changed: 05/04/2015
	State Status Changed:
Deemer Date:	Created By: Anna Guloy
Submitted By: Anna Guloy	Corresponding Filing Tracking Number: 2039

Filing Description:

This filing is being submitted for the purpose of filing the dental plans to be offered by Group Hospitalization & Medical Services, Inc. to Individual (Over and Under 65) Market On and Off the D.C. Exchange effective 1/1/2016.

Please refer to the actuarial memorandum (Supporting Documentation) and rate filing (Rate/Rule Schedule) for more details.

Company and Contact

Filing Contact Information

Anna Guloy, Actuarial Associate	anna.guloy@carefirst.com
10455 Mill Run Circle	410-998-5098 [Phone]
Owings Mills, MD 21117	410-998-7704 [FAX]

Filing Company Information

Group Hospitalization and Medical Services, Inc.	CoCode: 53007	State of Domicile: District of Columbia
840 First Street NE	Group Code:	Company Type: Hospital,
Washington, DC 20065	Group Name:	Medical & Dental Service or
(410) 581-3000 ext. [Phone]	FEIN Number: 53-0078070	Indemnity
		State ID Number:

Filing Fees

Fee Required?	No
Retaliatory?	No
Fee Explanation:	

State:	District of Columbia	Filing Company:	Group Hospitalization and Medical Services, Inc.
TOI/Sub-TOI:	H10I Individual Health - Dental/H10I.000 Health Dental		
Product Name:	Filing # 2039 DC GHMSI Individual Dental - ACA Eff 201601		
Project Name/Number:	/2039		

Rate Information

Rate data applies to filing.

Filing Method:	Electronic (SERFF)
Rate Change Type:	Neutral
Overall Percentage of Last Rate Revision:	0.000%
Effective Date of Last Rate Revision:	01/01/2015
Filing Method of Last Filing:	SERFF

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Group Hospitalization and Medical Services, Inc.	24.400%	24.400%	\$99,700	1,100	\$409,117	33.600%	6.000%

SERFF Tracking #:

CFAP-130032739

State Tracking #:

Company Tracking #:

2039

State: District of Columbia

Filing Company:

Group Hospitalization and Medical Services, Inc.

TOI/Sub-TOI: H10I Individual Health - Dental/H10I.000 Health Dental

Product Name: Filing # 2039 DC GHMSI Individual Dental - ACA Eff 201601

Project Name/Number: /2039

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		File 2039_DC GHMSI Indiv Dental 1.1.16_Rate Filing	DC/CF/DB/EXC/DENTAL/IEA (1/14), DC/CF/EXC/2015 DENTAL AMEND (REV 1/15), DC/GHMSI/DOL APPEAL (R. 11/11), DC/CF/DB/PREF DENT DOCS-SOB (R. 1/15), DC/CF/DB/PREF DENT DOCS-SOB LOW (1/15), DC/GHMSI/HEALTH GUARANTEE 2/08, DC/CF/EXC/2016 DENTAL AMEND (1/16), DC/CF/DB/2015 DENTAL AMEND (REV 1/15), DDCAP (4/14) {application}, DC/CF/DB/2016 DENTAL AMEND (1/16), and any amendments	Revised	Previous State Filing Number: CFAP-129-542-374 Percent Rate Change Request: 24.4	File 2039_DC GHMSI Indiv Dental 1.1.16_Rate Filing.pdf,

GHMSI, Inc.
DC Individual (Over and Under 65) Market
Standalone BlueDental Filing
ON & OFF EXCHANGE

Premiums Effective 1/1/2016

Group Hospitalization and Medical Services, Inc. (GHMSI)
d.b.a. CareFirst BlueCross BlueShield
NAIC # 53007
DC Individual (Over and Under 65) Market Standalone Dental - On and Off Exchange
Rates Effective 1/1/2016

Form Numbers Impacted By This Filing

ON EXCHANGE FORM NUMBERS:

DC/CF/DB/EXC/DENTAL/IEA (1/14)
DC/CF/EXC/2015 DENTAL AMEND (REV 1/15)
DC/GHMSI/DOL APPEAL (R. 11/11)
DC/CF/DB/PREF DENT DOCS-SOB (R. 1/15)
DC/CF/DB/PREF DENT DOCS-SOB LOW (1/15)
DC/GHMSI/HEALTH GUARANTEE 2/08
DC/CF/EXC/2016 DENTAL AMEND (1/16)

OFF EXCHANGE FORM NUMBERS:

DC/CF/DB/EXC/DENTAL/IEA (1/14)
DC/CF/DB/2015 DENTAL AMEND (REV 1/15)
DC/CF/DB/PREF DENT DOCS-SOB (R. 1/15)
DC/CF/DB/PREF DENT DOCS-SOB LOW (1/15)
DC/GHMSI/DOL APPEAL (R. 11/11)
DC/GHMSI/HEALTH GUARANTEE 2/08
DDCAP (4/14) {application}
DC/CF/DB/2016 DENTAL AMEND (1/16)

GHMSI, Inc.
Individual (Over and Under 65) Market Standalone Dental Filing Effective 1/1/2016
Proposed Pediatric and Non-Pediatric Base Rates

HIOS ID

ON EXCHANGE 78079DC0320001
OFF EXCHANGE 78079DC0320003

BlueDental Preferred Benefit Design HIGH OPTION - ON & OFF EXCHANGE

		In Network	Out of Network
Deductible (Applies to Classes 2 - 4)		\$60	\$120
Plan Coinsurance			
	Class 1	100%	80%
	Class 2	80%	60%
	Class 3	80%	60%
	Class 4	50%	35%
	Class 5 (only applies to Pediatric Dental)	50%	35%
<u>Pediatric</u>			
Annual Benefit Maximum		Unlimited	
Member Out of Pocket Maximum		\$350 for In Network and \$700 for 2 or more children	
<u>Adult</u>			
Annual Benefit Maximum		\$1000 per member combined for In and Out of Network	
Member Out of Pocket Maximum		Unlimited	

Gross Monthly Base Rate		\$32.54
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CareFirst BlueCross BlueShield (GHMSI)
Individual (Over and Under 65) Market Standalone Dental Filing Effective 1/1/2016
Proposed Pediatric and Non-Pediatric Base Rates

HIOS ID

ON EXCHANGE 78079DC0320002

OFF EXCHANGE 78079DC0320004

BlueDental Preferred Benefit Design LOW OPTION - ON & OFF EXCHANGE

	In Network	Out of Network
Deductible (Applies to Classes 1 - 4)	\$65	\$130
Plan Coinsurance		
Class 1	100%	80%
Class 2	80%	60%
Class 3	80%	60%
Class 4	50%	35%
Class 5 (only applies to Pediatric Dental)	50%	35%
<u>Pediatric</u>		
Annual Benefit Maximum	Unlimited	
Member Out of Pocket Maximum	\$350 for In Network	
<u>Non-Pediatric</u>		
Annual Benefit Maximum	\$1000 combined for In and Out of Network	
Member Out of Pocket Maximum	Unlimited	

Gross Monthly Base Rate	\$28.97
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State:	District of Columbia	Filing Company:	Group Hospitalization and Medical Services, Inc.
TOI/Sub-TOI:	H10I Individual Health - Dental/H10I.000 Health Dental		
Product Name:	Filing # 2039 DC GHMSI Individual Dental - ACA Eff 201601		
Project Name/Number:	/2039		

Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	Please see the Actuarial Memorandum for these items.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Certificate of Authority to File
Bypass Reason:	This filing is being submitted directly by the insurer.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	File 2039_DC GHMSI Indiv Dental 1.1.16_Actuarial Memorandum.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Justification
Comments:	This information can be found in the Actuarial Memorandum.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	This is not a P&C filing.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Bypass Reason:	This is not a P&C filing.
Attachment(s):	
Item Status:	
Status Date:	

State:	District of Columbia	Filing Company:	Group Hospitalization and Medical Services, Inc.
TOI/Sub-TOI:	H10I Individual Health - Dental/H10I.000 Health Dental		
Product Name:	Filing # 2039 DC GHMSI Individual Dental - ACA Eff 201601		
Project Name/Number:	/2039		

Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	Part III Actuarial Memorandum and Certification does not apply to Standalone Dental.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	URRT does not apply to Standalone Dental.
Attachment(s):	
Item Status:	
Status Date:	

GHMSI, Inc.
NAIC # 53007

Rate Filing # 2039
DC Individual (Over and Under 65) Market
Standalone BlueDental Filing
ON & OFF EXCHANGE
Rates Effective 1/1/2016

CareFirst BlueCross BlueShield (GHMSI)
DC Individual (Over and Under 65) Market
Standalone BlueDental Filing
Table of Contents

Cover	1
Table of Contents	2
Actuarial Memorandum	3 - 4
Actuarial Certification	5
Benefit Descriptions	6
Calculation of Pediatric Actuarial Value - HIGH OPTION	7
Calculation of Non-Pediatric Actuarial Value - HIGH OPTION	8
Calculation of Pediatric Actuarial Value - LOW OPTION	9
Calculation of Non-Pediatric Actuarial Value - LOW OPTION	10
Pediatric & Adult Dental Experience	11
Dental Allowed Trends	12 - 14
BlueDental Preferred Experience	15
Adjustments from Current Benefits to Benchmark Plan	16
Network Adjustment to Base Experience	17
Emerging Individual Analysis	18
Desired Incurred Claims Ratio Derivation	19
Derivation of Standalone BlueDental Preferred Rate	20 - 21
Dental Rates Derivation	22
Base Rate History	23
Derivation of Percent of Total Premium Related to Essential Health Benefits	24
Proposed Age Factors	25
Rate Comparison	26
Rating Methodology	27

Group Hospitalization and Medical Services, Inc. (GHMSI)
d.b.a. CareFirst BlueCross BlueShield
NAIC # 53007
DC Individual Market Standalone Dental - On and Off Exchange
Rates Effective 1/1/2016
Actuarial Memorandum

Purpose and Scope of Filing

This submission pertains to the District of Columbia Individual (Over and Under 65) market dental portfolio of GHMSI, Inc. Included in this filing are our proposed gross PMPM changes effective January 1, 2016 for the existing BlueDental High and Low Options.

	Members	GROSS PMPM	PROPOSED GROSS PMPM	
DENTAL BENEFIT	as of 2/28/15	1/1/2015	1/1/2016	% Rate Change
BLUEDENTAL PREFERRED HIGH OPTION	1,198	\$26.25	\$32.54	24.0%
BLUEDENTAL PREFERRED LOW OPTION	118	\$22.42	\$28.97	29.2%
TOTAL	1,316			24.4%

GHMSI is offering two preferred comprehensive standalone dental options in the Individual market both On and Off Exchange. These benefits will be embedded with pediatric dental coverage as required by the Pediatric Dental Essential Health Benefit. By the term "comprehensive" we mean "coverage is available to all ages." By the term "standalone" we mean that having CareFirst (CF) medical coverage is not required.

General Information

Company Legal Name: Group Hospitalization and Medical Services, Inc. (GHMSI)
Jurisdiction: District of Columbia
HIOS Issuer ID: 78079
Market: Individual Dental On and Off Exchange
Effective Date: 1/1/2016

Company Contact Information:

Primary Contact Name: Anna Guloy
Primary Contact Telephone: 410-998-5098
Primary Contact Email Address: anna.guloy@carefirst.com

Assumptions

The key assumptions in this filing are listed below.

Actuarial Value - Dental Actuarial Values (AVs) are based on internal CareFirst modeling. For the pediatric dental benefit, we are proposing benefit designs in the "High" and "Low" Actuarial Value ranges. The modeled AV for the High Option design is within the allowable range of 83% - 87% while the Low Option design is within the allowable range of 73% - 77%, as shown on pages 7 and 9. Calculation of the non-pediatric Preferred AV is provided in pages 8 and 10.

Adjustments from Current Benefits to Benchmark (for Pediatric Dental) - We used base experience from the current small group dental benefits for this filing. We adjusted our base experience accounting for the fact that it included non-pediatric services. We then aligned the pediatric experience with the benchmark plan. Documentation and support for these adjustments can be found on pages 11 and 16.

Allowed Trend - Base experience was from claims incurred 01/2014 - 12/2014 paid through 02/28/2015. This experience was trended to the rate projection period in order to derive the proposed rates. Total experience from our DC dental book of business can be found on page 14.

Network Adjustment - The base experience used includes both Preferred (PPO) and Traditional dental plans. Therefore, an adjustment to the base data was made to reflect Traditional and Preferred reimbursement levels. These adjustments are provided on page 17.

Individual Factor - The base experience used in this analysis is the Individual ACA plan experience with claims incurred 01/2014 - 12/2014 paid through 02/28/2015. A factor has been added to the derivation of the gross premium from the small group base experience to account for the emerging Individual market experience. These adjustments are provided on page 18.

Desired Incurred Claims Ratio and Retention - The components of retention and the desired incurred claims ratio support are provided on page 19.

Use of Past Experience to Project Future Results

Since we do not have a credible block of business in the Individual market, we are using the experience of our DC Traditional and Preferred small group dental business as the basis of the proposal. The base experience used is deemed to be fully credible.

The base experience used for the non-pediatric population is from our current DC Traditional and PPO dental benefits. Members ages 20 and over were identified and their experience was stratified. The allowed PMPM was projected to the rating period and adjusted for the expected member cost-sharing.

We used our current DC Traditional and PPO dental benefits, which include pediatric services, to develop the pediatric PMPM. Members ages 19 and under were identified and their experience was stratified. This data was then adjusted to align with the DC benchmark plan. The allowed PMPM was projected to the rating period and adjusted for the expected member cost-sharing.

A new factor has been added to account for the difference between the emerging Individual experience and the base small group experience. The Individual Factor is added to the derivation of the gross paid PMPM from the small group base experience. Details are on page 18.

The Adult and Pediatric Projected Paid PMPMs were combined using the enrollment distribution to develop one projected Paid PMPM. Retention was applied to derive the Individual Gross Monthly Premium.

The proposed rate changes are driven by actual experience being unfavorable as membership has grown. We do not propose to move these rates to the "needed" level in one year given the magnitude of rate change needed. Our proposal to increase rates below what is suggested by the early data is also driven by fact that the experience is not mature and may normalize in future years.

The projected loss ratio is 63.87%.

The average annual premium is \$369.10.

Recognition of Plan Provisions

These BluePreferred benefits offer a unique benefit design to our pediatric and non-pediatric populations that is in contrast to our current Traditional and Preferred dental benefit. As described above, adjustments have been made to the base experience to account for these differences. Documentation and support for these differences are provided in the Actuarial Value exhibits (pages 7-10), Pediatric and Non-Pediatric Dental Experience (page 11), and Adjustments from Current Benefits to the Benchmark Plan (page 15).

We proposed to change the deductible on the Low Option from \$100 to \$65 in order to maintain compliance with required Actuarial Values.

Please refer to Rating Methodology (page 27) for a sample calculation.

This policy is guaranteed renewable in the Individual Market.

Projection of Future Capital and Surplus

The Pre-Tax Contribution to Reserves has been set to 0.0%.

Reasonableness of Assumptions

The assumptions used in this filing have been found to be reasonable both individually and in the aggregate.

Form Numbers Impacted By This Filing

This list contains the applicable forms for the products. Some of these are also used with other products, which may be open or closed to new sales. These forms are used with products that are both grandfathered and non-grandfathered.

ON EXCHANGE FORM NUMBERS:

DC/CF/DB/EXC/DENTAL/IEA (1/14)
DC/CF/EXC/2015 DENTAL AMEND (REV 1/15)
DC/GHMSI/DOL APPEAL (R. 11/11)
DC/CF/DB/PREF DENT DOCS-SOB (R. 1/15)
DC/CF/DB/PREF DENT DOCS-SOB LOW (1/15)
DC/GHMSI/HEALTH GUARANTEE 2/08
DC/CF/EXC/2016 DENTAL AMEND (1/16)

OFF EXCHANGE FORM NUMBERS:

DC/CF/DB/EXC/DENTAL/IEA (1/14)
DC/CF/DB/2015 DENTAL AMEND (REV 1/15)
DC/CF/DB/PREF DENT DOCS-SOB (R. 1/15)
DC/CF/DB/PREF DENT DOCS-SOB LOW (1/15)
DC/GHMSI/DOL APPEAL (R. 11/11)
DC/GHMSI/HEALTH GUARANTEE 2/08
DDCAP (4/14) {application}
DC/CF/DB/2016 DENTAL AMEND (1/16)

Group Hospitalization and Medical Services, Inc. (GHMSI)
d.b.a. CareFirst BlueCross BlueShield
NAIC # 53007
DC Individual Market Standalone Dental - On and Off Exchange
Rates Effective 1/1/2016
Actuarial Certification

I, Dwayne Lucado, am a Director of Actuarial Pricing with Group Hospitalization and Medical Services, Inc. (GHMSI) doing business as CareFirst BlueCross BlueShield. I am a member of the American Academy of Actuaries. I have been involved in the development of these rates. Further, to the best of my knowledge and understanding, the rates in this filing have been developed in accordance with the available regulations and guidance for the individual market (on and off exchange) in DC for business effective post 1/1/2016. Since HHS does not provide a Dental Actuarial Value Calculator, the actuarial values (AV) of the dental plans being proposed have been calculated using an internal company dental model.

The methodologies and assumptions in this filing represent our best understanding, based on the available guidance and regulations, of the requirements and provisions of the Affordable Care Act as they relate to the StandAlone Dental product being proposed. To the extent that further guidance necessitates material changes to the assumptions or methods in this filing, revisions will be made.

This certification further applies to the determination of the Actuarial Value of the proposed pediatric benefits. In the absence of an official industry wide model, this has been modeled based on internal company data in a manner consistent with that used in the Federal AV Calculator for Medical plans.

This filing has been prepared in accordance with commonly accepted actuarial principles, that are consistent with applicable Actuarial Standards of Practice, including ASOP 8.

Dwayne Lucado, FSA, MAAA
Director, Actuarial Pricing
Group Hospitalization and Medical Services, Inc.
Mail Drop-Point 01-780
10455 Mill Run Circle
Owings Mills, Md. 21117

**CareFirst BlueCross BlueShield
Individual Market StandAlone Dental
ON AND OFF EXCHANGE
PEDIATRIC AND ADULT
BlueDental Preferred Benefit Matrix**

BLUEDENTAL PREFERRED - HIGH OPTION

Individual Deductible		Family Deductible		Deductible Applies	Annual Maximum for Class I, II, III & IV Members Over 19	Out-of-Pocket Maximum Members Under 19	Class I Coinsurance		Class II Coinsurance		Class III Coinsurance		Class IV Coinsurance		Class V Coinsurance Mebers Under 19, Medically Necessary Ortho	
In	Out	In	Out				In	Out	In	Out	In	Out	In	Out	In	Out
\$60	\$120	\$180	\$360	2, 3 & 4 (In & Out)	\$1,000	\$350 for 1 member, \$700 for 2+members	100%	80%	80%	60%	80%	60%	50%	35%	50%	35%

BLUEDENTAL PREFERRED - LOW OPTION

Individual Deductible		Family Deductible		Deductible Applies	Annual Maximum for Class I, II, III & IV Members Over 19	Out-of-Pocket Maximum Members Under 19	Class I Coinsurance		Class II Coinsurance		Class III Coinsurance		Class IV Coinsurance		Class V Coinsurance Mebers Under 19, Medically Necessary Ortho	
In	Out	In	Out				In	Out	In	Out	In	Out	In	Out	In	Out
\$65	\$130	\$195	\$585	1-4 (In & Out)	\$1,000	\$350 for 1 member, \$700 for 2+members	100%	80%	80%	60%	80%	60%	50%	35%	50%	35%

Calculation of Actuarial Value of Pediatric Dental Benefit - PREFERRED HIGH OPTION

Modeling below based on internal CareFirst Dental modeling.

Underlying claims distribution is based on the combined small group dental book of business and projected to 2016.

Claims distribution is adjusted to PMPM and utilization levels of expected pediatric population.

Consistent with HHS AV Calculator this modeling is independent of network. Only in-network cost sharing is modeled.

Benefit Design

Deductible

In Network

\$60

Applies to Classes 2 -4 Only

Coinsurance (In-Network)

Class 1

100%

Class 2

80%

Class 3

80%

Class 4

50%

Class 5

50%

Out of Pocket Maximum

\$350

Estimated PMPMs

	Allowed	Deductible	Coinsurance	Impact of Benefit Limits	Impact Of Out Of Pocket Maximum	Estimated Plan Liability	Estimated AV
Class 1 \$	10.02	\$ -	\$ -	\$ -	\$ -	\$ 10.02	
Class 2 \$	2.97	\$ (1.23)	\$ (0.35)	\$ -	\$ 0.02	\$ 1.41	
Class 3 \$	2.06	\$ (0.20)	\$ (0.37)	\$ -	\$ 0.04	\$ 1.52	
Class 4 \$	0.38	\$ (0.05)	\$ (0.16)	\$ -	\$ 0.01	\$ 0.17	
Class 5 \$	2.07	\$ -	\$ (1.04)	\$ -	\$ 0.47	\$ 1.50	
Total	\$ 17.49	\$ (1.48)	\$ (1.92)	\$ -	\$ 0.53	\$ 14.63	83.6%

Relativity Derivation of Adult BlueDental Preferred Benefit - HIGH OPTION

Modeling below based on internal CareFirst Dental modeling.

Underlying claims distribution is based on the combined small group dental book of business and projected to 2016.

Claims distribution is adjusted to PMPM and Class Distribution of expected adult population.

Benefit Design

Deductible

In Network

\$60

Applies to Classes 2 - 4 Only

Coinsurance (In-Network)

Class 1

100%

Class 2

80%

Class 3

80%

Class 4

50%

Annual Benefit Maximum

\$1,000

Estimated PMPMs

		Allowed	Deductible	Coinsurance	Impact of Benefit Limits	Impact Of Out Of Pocket Maximum	Estimated Plan Liability	Estimated Paid/Allowed
Class 1	\$	10.45	\$ -	\$ -	\$ (0.21)	\$ -	\$ 10.24	
Class 2	\$	5.72	\$ (1.29)	\$ (0.89)	\$ (0.19)	\$ -	\$ 3.35	
Class 3	\$	3.74	\$ (0.29)	\$ (0.69)	\$ (0.34)	\$ -	\$ 2.42	
Class 4	\$	7.42	\$ (0.39)	\$ (3.51)	\$ (0.61)	\$ -	\$ 2.90	
Class 5	\$	0.00	\$ -	\$ (0.00)	\$ -	\$ 0.00	\$ 0.00	
Total	\$	27.33	\$ (1.97)	\$ (5.09)	\$ (1.36)	\$ 0.00	\$ 18.91	69.2%

Calculation of Actuarial Value of Pediatric Dental Benefit - PREFERRED LOW OPTION

Modeling below based on internal CareFirst Dental modeling.

Underlying claims distribution is based on the combined small group dental book of business and projected to 2016.

Claims distribution is adjusted to PMPM and utilization levels of expected pediatric population.

Consistent with HHS AV Calculator this modeling is independent of network. Only in-network cost sharing is modeled.

Benefit Design

Deductible

In Network

\$65

Applies to Classes 1 - 4 Only

Coinsurance (In-Network)

Class 1

100%

Class 2

80%

Class 3

80%

Class 4

50%

Class 5

50%

Out of Pocket Maximum

\$350

Estimated PMPMs

		Allowed	Deductible	Coinsurance	Impact of Benefit Limits	Impact Of Out Of Pocket Maximum	Estimated Plan Liability	Estimated AV
Class 1	\$	10.02	\$ (3.28)	\$ -	\$ -	\$ -	\$ 6.74	
Class 2	\$	2.97	\$ (0.49)	\$ (0.50)	\$ -	\$ 0.03	\$ 2.01	
Class 3	\$	2.06	\$ (0.14)	\$ (0.38)	\$ -	\$ 0.04	\$ 1.58	
Class 4	\$	0.38	\$ (0.03)	\$ (0.17)	\$ -	\$ 0.01	\$ 0.19	
Class 5	\$	2.07	\$ -	\$ (1.04)	\$ -	\$ 0.49	\$ 1.52	
Total	\$	17.49	\$ (3.94)	\$ (2.09)	\$ -	\$ 0.57	\$ 12.04	68.8%

Relativity Derivation of Non-Pediatric Preferred Dental Benefit - LOW OPTION

Modeling below based on internal CareFirst Dental modeling.

Underlying claims distribution is based on the combined small group dental book of business and projected to 2016.

Claims distribution is adjusted to PMPM and Class Distribution of expected adult population.

Benefit Design

	In Network	
Deductible	\$65	Applies to Classes 1 - 4 Only
Coinsurance (In-Network)		
Class 1	100%	
Class 2	80%	
Class 3	80%	
Class 4	50%	
Annual Benefit Maximum	\$1,000	

Estimated PMPMs

	Allowed	Deductible	Coinsurance	Impact of Benefit Limits	Impact Of Out Of Pocket Maximum	Estimated Plan Liability	Estimated Paid/Allowed
Class 1	\$ 10.45	\$ (2.47)	\$ -	\$ (0.20)	\$ -	\$ 7.78	
Class 2	\$ 5.72	\$ (0.61)	\$ (1.02)	\$ (0.19)	\$ -	\$ 3.90	
Class 3	\$ 3.74	\$ (0.20)	\$ (0.71)	\$ (0.34)	\$ -	\$ 2.49	
Class 4	\$ 7.42	\$ (0.33)	\$ (3.55)	\$ (0.61)	\$ -	\$ 2.94	
Class 5	\$ 0.00	\$ -	\$ (0.00)	\$ -	\$ -	\$ 0.00	
Total	\$ 27.33	\$ (3.60)	\$ (5.28)	\$ (1.33)	\$ -	\$ 17.11	62.6%

**DC Pediatric Dental Analysis
for Pediatric Dental EHB**

DC

Exp Pd: Incurred & Paid 201401 - 201412 Paid Thru 201502

Age Bracket	# Members	Paid	Allowed	Paid PMPM	Allowed PMPM	Cost Share	% Paid	% Allowed	% Members
Pediatric Age <=19	91,142	\$1,248,539	\$1,630,761	\$13.70	\$17.89	0.766	16.5%	16.3%	21.9%
>19	325,125	\$6,337,135	\$8,378,572	\$19.49	\$25.77	0.756	83.5%	83.7%	78.1%
TOTAL	416,267	\$7,585,674	\$10,009,333	\$18.22	\$24.05	0.758	100.0%	100.0%	100.0%

DC Pediatric Dental Claims by Class

Exp Pd: Incurred & Paid 201401 - 201412 Paid Thru 201502

	Class	Services	Paid	Allowed	% Services	% Paid	% Allowed	Paid PMPM	Allowed PMPM
Ortho-->	Class 1	27,685	\$860,132	\$868,474	82.9%	68.9%	53.3%	\$9.44	\$9.53
	Class 2	2,694	\$164,993	\$254,957	8.1%	13.2%	15.6%	\$1.81	\$2.80
	Class 3	1,514	\$130,746	\$178,048	4.5%	10.5%	10.9%	\$1.43	\$1.95
	Class 4	206	\$15,823	\$32,791	0.6%	1.3%	2.0%	\$0.17	\$0.36
	Class 5	1,297	\$76,846	\$296,491	3.9%	6.2%	18.2%	\$0.84	\$3.25
	TOTAL	33,396	\$1,248,539	\$1,630,761	100.0%	100.0%	100.0%	\$13.70	\$17.89

DC Over Age 19 Dental Claims by Class

Exp Pd: Incurred & Paid 201401 - 201412 Paid Thru 201502

	Class	Services	Paid	Allowed	% Services	% Paid	% Allowed	Paid PMPM	Allowed PMPM
Ortho-->	Class 1	83,282	\$3,178,554	\$3,202,762	72.1%	50.2%	38.2%	\$9.78	\$9.85
	Class 2	17,774	\$1,199,537	\$1,752,286	15.4%	18.9%	20.9%	\$3.69	\$5.39
	Class 3	6,161	\$862,478	\$1,146,923	5.3%	13.6%	13.7%	\$2.65	\$3.53
	Class 4	7,927	\$1,095,989	\$2,275,823	6.9%	17.3%	27.2%	\$3.37	\$7.00
	Class 5	406	\$576	\$778	0.4%	0.0%	0.0%	\$0.00	\$0.00
	TOTAL	115,550	\$6,337,135	\$8,378,572	100.0%	100.0%	100.0%	\$19.49	\$25.77

DC Dental Claims By Class

Exp Pd: Incurred & Paid 201401 - 201412 Paid Thru 201502

	Class	Services	Paid	Allowed	% Services	% Paid	% Allowed	Paid PMPM	Allowed PMPM
	Class 1	110,967	\$4,038,686	\$4,071,236	74.5%	53.2%	40.7%	\$9.70	\$9.78
	Class 2	20,468	\$1,364,530	\$2,007,242	13.7%	18.0%	20.1%	\$3.28	\$4.82
	Class 3	7,675	\$993,224	\$1,324,971	5.2%	13.1%	13.2%	\$2.39	\$3.18
	Class 4	8,133	\$1,111,812	\$2,308,614	5.5%	14.7%	23.1%	\$2.67	\$5.55
	Class 5	1,703	\$77,423	\$297,269	1.1%	1.0%	3.0%	\$0.19	\$0.71
	TOTAL	148,946	\$7,585,674	\$10,009,333	100.0%	100.0%	100.0%	\$18.22	\$24.05

DC Individual Standalone Dental Trend Analysis
DC All Legal Entities (BC and GHMSI) Traditional Dental Experience

Month	Contracts	Members	Allowed	Completion Factor	Ultimate Allowed	Allowed PMPM	Rolling 12 PMPM	Rolling 12 Trend
201103	18,049	31,081	\$ 819,710	1.00	\$ 819,710	\$ 26.37		
201104	18,177	31,315	\$ 770,590	1.00	\$ 770,590	\$ 24.61		
201105	18,084	31,228	\$ 718,580	1.00	\$ 718,580	\$ 23.01		
201106	17,891	30,843	\$ 797,061	1.00	\$ 797,061	\$ 25.84		
201107	18,146	31,312	\$ 720,207	1.00	\$ 720,207	\$ 23.00		
201108	18,154	31,294	\$ 862,537	1.00	\$ 862,537	\$ 27.56		
201109	18,385	31,788	\$ 720,819	1.00	\$ 720,819	\$ 22.68		
201110	18,198	31,461	\$ 700,788	1.00	\$ 700,788	\$ 22.27		
201111	18,556	32,096	\$ 697,681	1.00	\$ 697,681	\$ 21.74		
201112	18,540	32,082	\$ 725,070	1.00	\$ 725,070	\$ 22.60		
201201	18,520	32,062	\$ 885,967	1.00	\$ 885,967	\$ 27.63		
201202	18,672	32,387	\$ 866,337	1.00	\$ 866,337	\$ 26.75	\$ 24.50	
201203	18,641	32,420	\$ 960,166	1.00	\$ 960,166	\$ 29.62	\$ 24.79	
201204	18,711	32,521	\$ 831,696	1.00	\$ 831,696	\$ 25.57	\$ 24.87	
201205	18,434	32,039	\$ 876,612	1.00	\$ 876,612	\$ 27.36	\$ 25.23	
201206	18,752	32,664	\$ 843,880	1.00	\$ 843,880	\$ 25.84	\$ 25.23	
201207	18,525	32,357	\$ 767,469	1.00	\$ 767,556	\$ 23.72	\$ 25.29	
201208	18,720	32,732	\$ 915,578	1.00	\$ 915,682	\$ 27.98	\$ 25.33	
201209	18,567	32,512	\$ 708,755	1.00	\$ 708,838	\$ 21.80	\$ 25.25	
201210	18,586	32,617	\$ 768,846	1.00	\$ 768,941	\$ 23.57	\$ 25.35	
201211	18,653	32,695	\$ 734,166	1.00	\$ 734,257	\$ 22.46	\$ 25.41	
201212	18,741	32,823	\$ 780,756	1.00	\$ 780,853	\$ 23.79	\$ 25.50	
201301	18,629	32,686	\$ 965,413	1.00	\$ 965,578	\$ 29.54	\$ 25.66	
201302	18,468	32,344	\$ 793,585	1.00	\$ 793,721	\$ 24.54	\$ 25.48	4.0%
201303	18,467	32,310	\$ 764,134	1.00	\$ 764,278	\$ 23.65	\$ 24.99	0.8%
201304	18,281	32,013	\$ 871,095	1.00	\$ 871,266	\$ 27.22	\$ 25.12	1.0%
201305	18,271	31,942	\$ 864,170	1.00	\$ 864,366	\$ 27.06	\$ 25.09	-0.5%
201306	18,344	32,019	\$ 800,315	1.00	\$ 800,521	\$ 25.00	\$ 25.02	-0.8%
201307	18,172	31,681	\$ 895,243	1.00	\$ 895,553	\$ 28.27	\$ 25.40	0.4%
201308	18,297	31,898	\$ 918,488	1.00	\$ 918,887	\$ 28.81	\$ 25.46	0.5%
201309	18,142	31,608	\$ 754,906	1.00	\$ 755,364	\$ 23.90	\$ 25.64	1.5%
201310	18,035	31,460	\$ 818,765	1.00	\$ 819,380	\$ 26.05	\$ 25.85	2.0%
201311	18,036	31,461	\$ 785,841	1.00	\$ 786,613	\$ 25.00	\$ 26.07	2.6%
201312	18,107	31,594	\$ 745,976	1.00	\$ 746,912	\$ 23.64	\$ 26.06	2.2%
201401	18,073	31,464	\$ 885,088	1.00	\$ 886,462	\$ 28.17	\$ 25.94	1.1%
201402	18,063	31,365	\$ 761,756	1.00	\$ 763,602	\$ 24.35	\$ 25.93	1.8%
201403	18,074	31,260	\$ 777,651	1.00	\$ 780,450	\$ 24.97	\$ 26.04	4.2%
201404	18,079	31,201	\$ 854,048	0.99	\$ 858,616	\$ 27.52	\$ 26.06	3.8%
201405	18,041	31,124	\$ 807,921	0.99	\$ 813,680	\$ 26.14	\$ 25.99	3.6%
201406	17,976	30,967	\$ 771,293	0.99	\$ 778,523	\$ 25.14	\$ 26.00	3.9%
201407	17,805	30,637	\$ 780,902	0.99	\$ 791,198	\$ 25.82	\$ 25.79	1.6%
201408	17,688	30,361	\$ 699,986	0.98	\$ 712,493	\$ 23.47	\$ 25.35	-0.4%
201409	17,559	30,160	\$ 684,399	0.98	\$ 701,625	\$ 23.26	\$ 25.30	-1.3%
201410	17,495	30,019	\$ 704,888	0.97	\$ 729,828	\$ 24.31	\$ 25.16	-2.7%
201411	17,414	29,813	\$ 665,411	0.95	\$ 698,778	\$ 23.44	\$ 25.04	-4.0%
201412	16,540	27,792	\$ 546,589	0.93	\$ 588,998	\$ 21.19	\$ 24.86	-4.6%
201501	16,263	27,172	\$ 470,099	0.86	\$ 544,762	\$ 20.05	\$ 24.21	
201502	16,369	27,274	\$ 156,535	0.52	\$ 302,806	\$ 11.10	\$ 23.20	
Experience Period								
201401 - 201412	212,807	366,163	\$ 8,939,933	\$	9,104,253			

DC Individual Standalone Dental Trend Analysis
DC All Legal Entities (BC and GHMSI) Preferred Dental Experience

Month	Contracts	Members	Allowed	Completion Factor	Ultimate Allowed	Allowed PMPM	Rolling 12 PMPM	Rolling 12 Trend
201103	1,657	2,723	\$ 72,702	1.00	\$ 72,702	\$ 26.70		
201104	1,683	2,790	\$ 57,465	1.00	\$ 57,465	\$ 20.60		
201105	1,770	2,922	\$ 67,828	1.00	\$ 67,828	\$ 23.21		
201106	1,749	2,916	\$ 75,226	1.00	\$ 75,226	\$ 25.80		
201107	1,722	2,876	\$ 63,941	1.00	\$ 63,941	\$ 22.23		
201108	1,729	2,909	\$ 61,936	1.00	\$ 61,936	\$ 21.29		
201109	1,805	3,038	\$ 55,476	1.00	\$ 55,476	\$ 18.26		
201110	1,840	3,091	\$ 59,766	1.00	\$ 59,766	\$ 19.34		
201111	1,882	3,153	\$ 71,561	1.00	\$ 71,561	\$ 22.70		
201112	1,899	3,185	\$ 67,332	1.00	\$ 67,332	\$ 21.14		
201201	1,961	3,259	\$ 95,419	1.00	\$ 95,419	\$ 29.28		
201202	2,009	3,323	\$ 94,187	1.00	\$ 94,187	\$ 28.34	\$ 23.29	
201203	2,061	3,407	\$ 81,573	1.00	\$ 81,573	\$ 23.94	\$ 23.10	
201204	2,001	3,313	\$ 73,792	1.00	\$ 73,792	\$ 22.27	\$ 23.21	
201205	2,010	3,354	\$ 84,855	1.00	\$ 84,855	\$ 25.30	\$ 23.40	
201206	2,081	3,484	\$ 69,326	1.00	\$ 69,326	\$ 19.90	\$ 22.90	
201207	2,165	3,617	\$ 87,885	1.00	\$ 87,895	\$ 24.30	\$ 23.08	
201208	2,145	3,610	\$ 91,538	1.00	\$ 91,548	\$ 25.36	\$ 23.42	
201209	2,111	3,564	\$ 79,017	1.00	\$ 79,026	\$ 22.17	\$ 23.69	
201210	2,154	3,590	\$ 71,362	1.00	\$ 71,371	\$ 19.88	\$ 23.69	
201211	2,221	3,725	\$ 69,277	1.00	\$ 69,286	\$ 18.60	\$ 23.31	
201212	2,233	3,760	\$ 68,231	1.00	\$ 68,240	\$ 18.15	\$ 23.01	
201301	2,330	3,925	\$ 77,925	1.00	\$ 77,938	\$ 19.86	\$ 22.24	
201302	2,333	3,933	\$ 92,067	1.00	\$ 92,083	\$ 23.41	\$ 21.88	-6.1%
201303	2,376	3,951	\$ 85,885	1.00	\$ 85,901	\$ 21.74	\$ 21.71	-6.0%
201304	2,388	3,954	\$ 102,445	1.00	\$ 102,465	\$ 25.91	\$ 22.04	-5.1%
201305	2,378	3,893	\$ 87,590	1.00	\$ 87,609	\$ 22.50	\$ 21.83	-6.7%
201306	2,464	4,015	\$ 87,430	1.00	\$ 87,453	\$ 21.78	\$ 21.98	-4.0%
201307	2,579	4,230	\$ 98,648	1.00	\$ 98,682	\$ 23.33	\$ 21.92	-5.0%
201308	2,601	4,306	\$ 105,375	1.00	\$ 105,421	\$ 24.48	\$ 21.89	-6.5%
201309	2,574	4,254	\$ 99,062	1.00	\$ 99,122	\$ 23.30	\$ 22.00	-7.2%
201310	2,548	4,210	\$ 112,092	1.00	\$ 112,177	\$ 26.65	\$ 22.56	-4.8%
201311	2,557	4,200	\$ 102,119	1.00	\$ 102,220	\$ 24.34	\$ 23.02	-1.2%
201312	2,651	4,326	\$ 88,849	1.00	\$ 88,960	\$ 20.56	\$ 23.17	0.7%
201401	2,583	4,242	\$ 100,276	1.00	\$ 100,431	\$ 23.68	\$ 23.48	5.6%
201402	2,535	4,171	\$ 87,120	1.00	\$ 87,331	\$ 20.94	\$ 23.27	6.4%
201403	2,528	4,169	\$ 99,035	1.00	\$ 99,391	\$ 23.84	\$ 23.44	8.0%
201404	2,561	4,225	\$ 97,490	0.99	\$ 98,011	\$ 23.20	\$ 23.22	5.4%
201405	2,552	4,204	\$ 105,493	0.99	\$ 106,245	\$ 25.27	\$ 23.45	7.4%
201406	2,528	4,159	\$ 98,596	0.99	\$ 99,521	\$ 23.93	\$ 23.62	7.5%
201407	2,521	4,129	\$ 91,738	0.99	\$ 92,948	\$ 22.51	\$ 23.56	7.5%
201408	2,563	4,207	\$ 86,643	0.98	\$ 88,191	\$ 20.96	\$ 23.26	6.3%
201409	2,610	4,282	\$ 88,221	0.98	\$ 90,441	\$ 21.12	\$ 23.08	4.9%
201410	2,534	4,101	\$ 83,921	0.97	\$ 86,890	\$ 21.19	\$ 22.62	0.3%
201411	2,538	4,121	\$ 70,077	0.95	\$ 73,591	\$ 17.86	\$ 22.09	-4.0%
201412	2,538	4,094	\$ 77,278	0.93	\$ 83,273	\$ 20.34	\$ 22.08	-4.7%
201501	2,441	3,919	\$ 59,201	0.86	\$ 68,603	\$ 17.51	\$ 21.58	
201502	2,441	3,918	\$ 15,786	0.52	\$ 30,538	\$ 7.79	\$ 20.55	

Experience
Period

201401 -								
201412	30,591	50,104	\$ 1,085,888	\$	1,106,266			

DC Individual Standalone Dental Trend Analysis
DC All Legal Entities (BC and GHMSI) Preferred and Traditional Combined Dental Experience

Month	Contracts	Members	Allowed	Completion Factor	Ultimate Allowed	Allowed PMPM	Rolling 12 PMPM	Rolling 12 Trend
201103	19,706	33,804	\$ 892,412	1.00	\$ 892,412	\$ 26.40		
201104	19,860	34,105	\$ 828,055	1.00	\$ 828,055	\$ 24.28		
201105	19,854	34,150	\$ 786,408	1.00	\$ 786,408	\$ 23.03		
201106	19,640	33,759	\$ 872,287	1.00	\$ 872,287	\$ 25.84		
201107	19,868	34,188	\$ 784,148	1.00	\$ 784,148	\$ 22.94		
201108	19,883	34,203	\$ 924,473	1.00	\$ 924,473	\$ 27.03		
201109	20,190	34,826	\$ 776,294	1.00	\$ 776,294	\$ 22.29		
201110	20,038	34,552	\$ 760,554	1.00	\$ 760,554	\$ 22.01		
201111	20,438	35,249	\$ 769,242	1.00	\$ 769,242	\$ 21.82		
201112	20,439	35,267	\$ 792,402	1.00	\$ 792,402	\$ 22.47		
201201	20,481	35,321	\$ 981,386	1.00	\$ 981,386	\$ 27.78		
201202	20,681	35,710	\$ 960,524	1.00	\$ 960,524	\$ 26.90	\$ 24.40	
201203	20,702	35,827	\$ 1,041,739	1.00	\$ 1,041,739	\$ 29.08	\$ 24.64	
201204	20,712	35,834	\$ 905,488	1.00	\$ 905,488	\$ 25.27	\$ 24.72	
201205	20,444	35,393	\$ 961,467	1.00	\$ 961,467	\$ 27.17	\$ 25.06	
201206	20,833	36,148	\$ 913,206	1.00	\$ 913,206	\$ 25.26	\$ 25.02	
201207	20,690	35,974	\$ 855,354	1.00	\$ 855,451	\$ 23.78	\$ 25.08	
201208	20,865	36,342	\$ 1,007,116	1.00	\$ 1,007,230	\$ 27.72	\$ 25.15	
201209	20,678	36,076	\$ 787,772	1.00	\$ 787,864	\$ 21.84	\$ 25.10	
201210	20,740	36,207	\$ 840,208	1.00	\$ 840,312	\$ 23.21	\$ 25.19	
201211	20,874	36,420	\$ 803,444	1.00	\$ 803,543	\$ 22.06	\$ 25.20	
201212	20,974	36,583	\$ 848,987	1.00	\$ 849,092	\$ 23.21	\$ 25.26	
201301	20,959	36,611	\$ 1,043,337	1.00	\$ 1,043,516	\$ 28.50	\$ 25.33	
201302	20,801	36,277	\$ 885,652	1.00	\$ 885,804	\$ 24.42	\$ 25.12	3.0%
201303	20,843	36,261	\$ 850,019	1.00	\$ 850,179	\$ 23.45	\$ 24.65	0.1%
201304	20,669	35,967	\$ 973,540	1.00	\$ 973,731	\$ 27.07	\$ 24.80	0.3%
201305	20,649	35,835	\$ 951,760	1.00	\$ 951,975	\$ 26.57	\$ 24.76	-1.2%
201306	20,808	36,034	\$ 887,746	1.00	\$ 887,974	\$ 24.64	\$ 24.71	-1.3%
201307	20,751	35,911	\$ 993,890	1.00	\$ 994,235	\$ 27.69	\$ 25.03	-0.2%
201308	20,898	36,204	\$ 1,023,863	1.00	\$ 1,024,308	\$ 28.29	\$ 25.08	-0.3%
201309	20,716	35,862	\$ 853,968	1.00	\$ 854,486	\$ 23.83	\$ 25.24	0.6%
201310	20,583	35,670	\$ 930,857	1.00	\$ 931,557	\$ 26.12	\$ 25.48	1.2%
201311	20,593	35,661	\$ 887,960	1.00	\$ 888,832	\$ 24.92	\$ 25.72	2.1%
201312	20,758	35,920	\$ 834,824	1.00	\$ 835,872	\$ 23.27	\$ 25.73	1.9%
201401	20,656	35,706	\$ 985,364	1.00	\$ 986,893	\$ 27.64	\$ 25.66	1.3%
201402	20,598	35,536	\$ 848,877	1.00	\$ 850,934	\$ 23.95	\$ 25.62	2.0%
201403	20,602	35,429	\$ 876,686	1.00	\$ 879,841	\$ 24.83	\$ 25.74	4.4%
201404	20,640	35,426	\$ 951,538	0.99	\$ 956,628	\$ 27.00	\$ 25.73	3.7%
201405	20,593	35,328	\$ 913,414	0.99	\$ 919,925	\$ 26.04	\$ 25.69	3.8%
201406	20,504	35,126	\$ 869,890	0.99	\$ 878,044	\$ 25.00	\$ 25.72	4.1%
201407	20,326	34,766	\$ 872,640	0.99	\$ 884,146	\$ 25.43	\$ 25.53	2.0%
201408	20,251	34,568	\$ 786,628	0.98	\$ 800,684	\$ 23.16	\$ 25.10	0.1%
201409	20,169	34,442	\$ 772,620	0.98	\$ 792,066	\$ 23.00	\$ 25.04	-0.8%
201410	20,029	34,120	\$ 788,809	0.97	\$ 816,719	\$ 23.94	\$ 24.86	-2.5%
201411	19,952	33,934	\$ 735,489	0.95	\$ 772,369	\$ 22.76	\$ 24.68	-4.1%
201412	19,078	31,886	\$ 623,866	0.93	\$ 672,271	\$ 21.08	\$ 24.53	-4.7%
201501	18,704	31,091	\$ 529,300	0.86	\$ 613,366	\$ 19.73	\$ 23.90	
201502	18,810	31,192	\$ 172,321	0.52	\$ 333,344	\$ 10.69	\$ 22.88	

Experience
Period

201401 -
201412 243,398 416,267 \$ 10,025,821 \$ 10,210,519

Group Hospitalization and Medical Services, Inc. (GHMSI)
Individual BlueDental Preferred Experience

Month	Contracts	Members	Revenue	Allowed	Paid	Completion Factor	Ultimate Allowed	Incurred Claims	Monthly Loss Ratio
201401	21	25	\$ 644	\$ 576	\$ 520	1.00	\$ 577	\$ 521	80.9%
201402	42	48	\$ 1,224	\$ 1,903	\$ 1,687	1.00	\$ 1,907	\$ 1,691	138.2%
201403	94	106	\$ 2,816	\$ 10,595	\$ 7,371	1.00	\$ 10,634	\$ 7,397	262.7%
201404	179	207	\$ 5,490	\$ 11,291	\$ 8,045	0.99	\$ 11,352	\$ 8,088	147.3%
201405	251	291	\$ 7,789	\$ 24,165	\$ 17,081	0.99	\$ 24,337	\$ 17,203	220.9%
201406	301	355	\$ 9,397	\$ 21,177	\$ 15,130	0.99	\$ 21,376	\$ 15,272	162.5%
201407	387	458	\$ 12,234	\$ 30,523	\$ 21,768	0.99	\$ 30,926	\$ 22,055	180.3%
201408	441	525	\$ 13,778	\$ 28,020	\$ 19,084	0.98	\$ 28,520	\$ 19,425	141.0%
201409	520	625	\$ 16,172	\$ 36,619	\$ 25,938	0.98	\$ 37,540	\$ 26,591	164.4%
201410	579	694	\$ 19,070	\$ 31,772	\$ 21,919	0.97	\$ 32,897	\$ 22,695	119.0%
201411	584	702	\$ 18,615	\$ 28,503	\$ 20,238	0.95	\$ 29,933	\$ 21,253	114.2%
201412	617	745	\$ 19,384	\$ 32,063	\$ 22,464	0.93	\$ 34,551	\$ 24,207	124.9%
Total 201401 -									
201412	4,016	4,781	\$ 126,612	\$ 257,208	\$ 181,246		\$ 264,549	\$ 186,398	147.2%

CareFirst BlueCross BlueShield
Individual Market Standalone Dental
Adjustments to Pediatric Base Experience for DC (FedVIP) Coverage Differences

	Individual Pediatric Dental (Age 19 & BELOW) Reflecting Current CF Benefits	Individual Pediatric Dental (Age 19 & BELOW) Reflecting DC Benchmark Plan	Δ \$	Δ %
CLASSES	Allowed PMPM	Allowed PMPM		
CLASS 1	\$9.53	\$9.44	-\$0.08	-0.89%
CLASS 2	\$2.80	\$2.80	\$0.00	0.00%
CLASS 3	\$1.95	\$1.94	-\$0.01	-0.67%
CLASS 4	\$0.36	\$0.35	-\$0.01	-1.69%
CLASS 5 *	\$3.25	\$2.63	-\$0.63	-19.23%
TOTAL	\$17.89	\$17.16	-\$0.74	-4.11%

CLASS 1-4 Adjustment	\$14.64	\$14.54	-0.71%
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* **Note:** The change in allowed PMPM shown is based only on a comparison of covered CPT codes to the DC benchmark plan. The actual adjustment used (-40%) reflects the professional judgment of CareFirst's Dental Network Director as to the portion of orthodontic claims that will meet the criteria to be covered under the benchmark plan. This is the same adjustment used in the approved 2015 filing.

**CareFirst BlueCross BlueShield
Individual Market Standalone Dental
Derivation of Network Adjustment Factor**

Methodology:

Data from our DC dental business was grouped by CPT code.

This data was sorted based on the number of services. The fee schedules for our PPO Dental product and for our Traditional dental product were applied to services to obtain the average spread between the fee schedules.

	Number of Services	% of Services	Average Traditional Fee	Average PPO Fee In Network	Average PPO Fee Out of Network	Blended PPO	Differential (Trad / PPO)
Top 10 Codes	99,437	66.5%	\$ 52.84	\$ 47.25	\$ 52.84	\$ 48.09	9.9%
Next 10 Codes	24,642	16.5%	\$ 72.24	\$ 64.30	\$ 72.24	\$ 65.49	10.3%
Remaining Codes	25,421	17.0%	\$ 469.74	\$ 408.55	\$ 469.74	\$ 417.73	12.5%
Total	149,500	100.0%	\$ 126.92	\$ 111.49	\$ 126.92	\$ 113.81	11.5%

Current Traditional benefits pay up to Traditional Allowances for both In and Out of Network Services

Current PPO benefits pay up to Traditional Allowances for Out of Network Services

Blended PPO Assumes 85% In Net / 15% Out of Net

DC Dental Member Months 201401 - 201412

	Mem Months	% Membership	Avg Fee	Adjustment to Traditional and PPO From Total
Traditional	366,163	88.0%	\$ 126.92	1.3%
PPO	50,104	12.0%	\$ 113.81	-9.2%
Total	416,267	100.0%	\$ 125.35	

CAREFIRST BLUECROSS BLUESHIELD
INDIVIDUAL DENTAL STANDALONE EXCHANGE
DENTAL ANALYSIS - DC
Experience Period: Inc 201401 - 201412 Pd: 201502

TOTAL							INDIVIDUAL
Contracts	Members	% of Membership	Allowed	Paid	Prem - Est	Loss Ratio	ALLOWED PMPM
4,016	4,781	100.0%	\$261,990	\$184,615	\$126,612	145.8%	\$54.80

PEDIATRIC							INDIVIDUAL	SMALL GRP	SMALL GRP TO	Proposed
Contracts	Members	% of Membership	Allowed	Paid	Prem - Est	Loss Ratio	ALLOWED PMPM	ALLOWED PMPM	INDIV Factor	Factor
23	295	6.2%	\$7,022	\$6,070	\$8,207	74.0%	\$23.80	\$16.80	0.4168	0.25

ADULT							INDIVIDUAL	SMALL GRP	SMALL GRP TO	Proposed
Contracts	Members	% of Membership	Allowed	Paid	Prem - Est	Loss Ratio	ALLOWED PMPM	ALLOWED PMPM	INDIV Factor	Factor
3,993	4,486	93.8%	\$254,968	\$178,546	\$118,405	150.8%	\$56.84	\$26.25	1.1652	0.25

CareFirst BlueCross BlueShield (GHMSI)
Individual Market Standalone Dental Filing Effective 1/1/2016
Desired Incurred Claims Ratio Derivation

1 2 3 4 5

PREFERRED

		Composite	
		<u>PMPM</u>	<u>%</u>
1	Projected Claims	\$19.65	63.87%
2	Admin Costs	\$7.47	24.27%
3	Patient Outcome Tax	\$0.00	0.00%
4	Reinsurance	\$0.00	0.00%
5	Broker Commissions & Fees	\$1.89	6.14%
6	Contrib to Reserve	\$0.00	0.00%
7	Invst Income Credit	\$0.00	0.00%
8	Premium Taxes/Community Health Investment	\$0.60	2.00%
9	Assessment Fees	\$0.03	0.11%
10	Federal Income Tax	\$0.00	0.00%
11	State Income Tax	\$0.00	0.00%
12	Exchange Assessment Fees	\$0.30	1.00%
13	General Insurer Tax	\$0.78	2.60%
14	Total	\$30.76	100.00%

Pre-Tax Contribution to Reserves 0.0%

NOTE:

* Assume 50/50 split for High and Low Option.

CareFirst BlueCross BlueShield
Individual Market Standalone Dental
Derivation of Standalone BlueDental Preferred Pediatric PMPM
Projection Period: 01/01/2016 - 12/31/2016

#	Formula	Description	HIGH OPTION PLAN		LOW OPTION PLAN	
			%	PMPM	%	PMPM
1		Base DC Dental Allowed PMPM For Members Age 19 and Under Classes 1 -4		\$ 14.64		\$ 14.64
2		Adjustment to DC Benchmark Plan	-0.71%		-0.71%	
3	(1) * (1+ (2))	Adjusted Allowed PMPM Classes 1 - 4		\$ 14.54		\$ 14.54
4		Base DC Dental Allowed PMPM For Members Age 19 and Under Class 5 (Ortho)		\$ 3.25		\$ 3.25
5		Adjustment to DC Benchmark Plan	-40%		-40%	
6	(6) = (4 * (1+(5)))	Adjusted Allowed PMPM Classes 5 (Ortho)		\$ 1.95		\$ 1.95
7		Estimated Base Period Allowed PMPM Adjusted to DC Benchmark		\$ 16.49		\$ 16.49
8		Completion Factor (Incurred 12, Paid 15)		0.982		0.982
9	(9) =(7) /(8)	Ultimate Base Period Allowed PMPM Adjusted to DC Benchmark		\$ 16.80		\$ 16.80
10		Assumed Annual Trend	3.0%		3.0%	
11		Assumed Trend Factor for 24 months	1.061		1.061	
12	(12)=(9)*(11)	Projected Allowed Pediatric PMPM		\$ 17.82		\$ 17.82
13		Adjustment for Emerging Individual Experience	1.250		1.250	
14	(14) = (13) * (12)	Projected Allowed Pediatric PMPM Adjusted for pediatric individual.		\$ 22.28		\$ 22.28
15		Benefit Factor to Adjust to Proposed Plan Design	0.836		0.688	
16	(16) = (14) * (15)	Projected Pediatric Paid PMPM to Adjust to Proposed Plan Design		\$ 18.63		\$ 15.33
17		Adjustment to Dental Preferred Fee Schedule	0.908		0.908	
18	(16)= (15)*(14)	Projected Pediatric Paid PMPM		\$ 16.92		\$ 13.92

Notes:

Row 1 Allowed PMPM for experience period of 01/01/2014-12/31/2014 paid through 02/28/2015 for Classes 1-4.

Row 2 Adjustment factor to account for coverage differences between current plans and DC Benchmark plan for Classes 1 - 4.

Row 4 Allowed PMPM for experience period of 01/01/2014-12/31/2014 paid through 02/28/2015 for Class 5 (Ortho).

Row 5 Adjustment factor to account for coverage differences between current plans and DC Benchmark plan for Class 5 (Ortho), as provided by CareFirst's Dental Network Director.

Row 10 Assumed pricing trend.

Row 11 Projected through 12/31/2016.

Row 13 Adjustment for emerging Individual experience.

Row 14 Benefit factor applied to Projected Allowed PMPM.

Row 17 Adjustment to Preferred plan basis from blended product basis implicit in base experience data.

Period	Begin	End	Mid-point		Mos. of Trend
Experience	1/1/2014	12/31/2014	7/2/2014		
Rating	1/1/2016	12/31/2016	7/1/2016		24

CareFirst BlueCross BlueShield
Individual Market Standalone Dental
Derivation of Standalone BlueDental Preferred Adult PMPM
Projection Period: 01/01/2016 - 12/31/2016

#	Formula	Description	HIGH OPTION PLAN		LOW OPTION PLAN	
			%	PMPM	%	PMPM
1		Base DC Dental Allowed PMPM For Adult Classes 1 -4		\$ 25.77		\$ 25.77
2		Completion Factor (Incurred 12, Paid 15)		0.982		0.982
3	(3) =(1) /(2) Ultimate Base Period Allowed PMPM			\$ 26.25		\$ 26.25
4		Assumed Annual Trend	3.0%		3.0%	
5		Assumed Trend Factor for 24 months	1.061		1.061	
6	(6)=(3)*(5) Projected Allowed Adult PMPM			\$ 27.85		\$ 27.85
7		Adjustment for Emerging Individual Experience	1.250		\$ 1.250	
8	(8) = (6) * (7) Projected Allowed Adult PMPM Adjusted for Capped Dependents			\$ 34.81		\$ 34.81
9		Benefit Factor to Adjust to Proposed Preferred Benefit Design	0.692		0.626	
10	(10) = (8) * (9) Projected Non-Pediatric Paid PMPM			\$ 24.09		\$ 21.80
11		Adjustment to Dental Preferred Fee Schedule	0.908		0.908	
12	(12)= (10)*(11) Projected Non-Pediatric Paid PMPM			\$ 21.87		\$ 19.79

Notes:

Row 1 Adjustment factor to account for coverage differences between current plans and MD Benchmark plan for Classes 1-4.

Row 4 Projected through 12/31/2016.

Row 5 Adjustment for emerging Individual experience.

Row 7 Adjustment to account for existing pediatric experience of the Individual ACA.

Row 11 Adjustment to Preferred plan basis from blended product basis implicit in base experience data.

Period	Begin	End	Mid-point			Mos. of Trend
Experience	1/1/2014	12/31/2014	7/2/2014			
Rating	1/1/2016	12/31/2016	7/1/2016			24

CareFirst BlueCross BlueShield (GHMSI)
Individual Market Standalone Dental Filing Effective 1/1/2016
DERIVATION OF PROPOSED MONTHLY BASE RATES FOR PEDIATRIC AND NON-PEDIATRIC AGE BANDS

PREFERRED DENTAL COMBINED	% Members	Projected Allowed PMPM
Projected Allowed Pediatric PMPM	21.9%	\$ 17.82
Projected Allowed Non-Pediatric PMPM	78.1%	\$ 27.85
Projected Allowed Total PMPM	100.0%	\$ 25.65

		ON & OFF EXCHANGE DENTAL PLANS	ON & OFF EXCHANGE DENTAL PLANS
#	FORMULA	PREFERRED HIGH OPTION	PREFERRED LOW OPTION
DERIVATION OF PLAN PROPOSED BASE RATES FROM PROJECTED PAID CLAIMS PMPM:			
1			
	Projected Pediatric Dental Paid PMPM	\$ 16.92	\$ 13.92
2	% of Members <=19	21.9%	21.9%
3			
	Projected Non-Pediatric Dental Paid PMPM	\$ 21.87	\$ 19.79
4	% of Members > 19	78.1%	78.1%
5	(5) = (1) * (2) + (3) * (4)	\$ 20.79	\$ 18.50
6	TOTAL PROJECTED PAID PMPM		
	Expected Loss Ratio	63.87%	63.87%
7	(7) = (5) / (6)	\$ 32.54	\$ 28.97
PROPOSED BASE RATES			

CareFirst BlueCross BlueShield (GHMSI)
Individual Market Standalone Dental Filing Effective 1/1/2016
Base Rate History

HIOS ID	EXCHANGE	PREFERRED OPTIONS*	BASE RATES	BASE RATES	PROPOSED BASE RATES	
			1/1/2014	1/1/2015	1/1/2016	% Rate Change
78079DC0320001	ON	BLUEDENTAL PREFERRED HIGH OPTION	\$26.24	\$26.25	\$32.54	24.0%
78079DC0320003	OFF	BLUEDENTAL PREFERRED HIGH OPTION	\$26.24	\$26.25	\$32.54	24.0%
78079DC0320002	ON	BLUEDENTAL PREFERRED LOW OPTION**	N/A	\$22.42	\$28.97	29.2%
78079DC0320004	OFF	BLUEDENTAL PREFERRED LOW OPTION**	N/A	\$22.42	\$28.97	29.2%

* Member Level Rating effective 1/1/15.

** Preferred Dental Low Option was first launched effective 1/1/2015.

CareFirst BlueCross BlueShield (GHMSI)
Individual Market Standalone Dental Filing Effective 1/1/2016
Derivation of Percent of Total Premium Related to Essential Health Benefits

#	FORMULA			ON & OFF EXCHANGE DENTAL PLAN	ON & OFF EXCHANGE DENTAL PLAN
				BLUEDENTAL PREFERRED HIGH OPTION	BLUEDENTAL PREFERRED LOW OPTION
1		TOTAL PROJECTED PAID PMPM	\$	20.79	\$ 18.50
2		Expected Loss Ratio		63.87%	63.87%
3	(3) = (1)/(2)	Projected RATE	\$	32.54	\$ 28.97
4		Projected Pediatric Paid PMPM	\$	16.92	\$ 13.92
5		% of Members <=19		21.9%	21.9%
6	(6) = (4) * (5) / (2)	Projected Average Pediatric Rate PMPM Basis	\$	5.80	\$ 4.77
7	(7) = (6) / (3)	% of Total Average Premium Allocable to the Pediatric Dental EHB		17.8%	16.5%
8		Child Only Plan Rate	\$	26.49	\$ 21.79
9		EHB % of Child Only Plan Rate		100.0%	100.0%

CareFirst BlueCross BlueShield (GHMSI)
Individual Market Standalone Dental Filing Effective 1/1/2016

Age Factors

BLUEDENTAL PREFERRED HIGH OPTION			
Age	Current Factor	Proposed Factor	%
0-20	0.952	0.814	-14.5%
21+	1.014	1.052	3.7%

BLUEDENTAL PREFERRED LOW OPTION			
Age	Current Factor	Proposed Factor	%
0-20	0.882	0.752	-14.7%
21+	1.034	1.069	3.4%

CareFirst BlueCross BlueShield (GHMSI)
Individual Market Standalone Dental Filing Effective 1/1/2016
RATE COMPARISON

HIGH OPTION	Approved Base Rate Effective 1/1/2015	Proposed Base Rate Effective 1/1/2016	
BASE RATES	\$26.25	\$32.54	24.0%
Age	Member Rate	Member Rate	% Diff
0-20	\$24.99	\$26.49	6.0%
21 +	\$26.62	\$34.23	28.6%

LOW OPTION	Approved Base Rate Effective 1/1/2015	Proposed Base Rate Effective 1/1/2016	
BASE RATES	\$22.42	\$28.97	29.2%
Age	Member Rate	Member Rate	% Diff
0-20	\$19.77	\$21.79	10.2%
21 +	\$23.18	\$30.97	33.6%

CareFirst BlueCross BlueShield (GHMSI)
Individual Market Standalone Dental Filing Effective 1/1/2016

Rating Methodology & Sample Calculation

Methodology:

1. For each subscriber, identify:

All dependents associated with the subscriber including the following categories
 Spouse/Domestic Partner
 # of children ages 21 or older
 # of children ages under 21

Example 1

A spouse, and 1 child
 1
 0
 1

Example 2

Adult and 5 children (with one child greater than 19 yrs old)
 0
 1
 4

2. For each subscriber and dependent, identify the following:

A. Age

B. Age Factor

Subscriber	Spouse	Child 1
46	34	15
1.052	1.052	0.814

Subscriber	Child 1 (Adult)	Child 1	Child 2	Child 3	Child 4
52	22	6	10	13	18
1.052	1.052	0.814	0.814	0.814	0.814

3. Identify the appropriate Dental benefit - Preferred HIGH OPTION

\$32.54	\$32.54	\$32.54
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\$32.54	\$32.54	\$32.54	\$32.54	\$32.54	\$32.54
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4. Round to the nearest cent to determine the member's individual rate.

\$34.23	\$34.23	\$26.49
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\$34.23	\$34.23	\$26.49	\$26.49	\$26.49	\$26.49
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5. The subscriber's total rate is the sum of individual rates for all subscribers and members combined.

\$94.95

\$174.42
